

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



September 30, 2005

FOSTER CARE AUDITS AND RATES LETTER (FCARL) NO. 2005-03

**TO: ALL GROUP HOME (GH) PROVIDERS
ALL COMMUNITY TREATMENT FACILITY (CTF) PROVIDERS**

SUBJECT: BIENNIAL GROUP HOME RATE REQUIREMENTS

IMPORTANT

This letter is to advise you of the requirements for submission of this year's group home rate application. Please read this entire letter so that you will be aware of the changes to the requirements and rate application forms prior to completing your rate application.

BIENNIAL REGULATIONS NOW EFFECTIVE

The California Department of Social Services (CDSS) has adopted emergency regulations for biennial group home rate application requirements effective August 1, 2005, Manual of Policies and Procedures (MPP) Division 11-402.3. The emergency regulations amend the existing policies and procedures to the annual rates system and implement a biennial system as required by statute. These regulations revise the rate application/request due date and rate effective date, revise the due dates related to "good cause" extensions, revise the penalty provisions for late applications, and add definitions necessary for clarity.

In accordance with these regulations the CDSS has developed the following rate application schedule to implement the biennial submission requirement.

NEW RATE APPLICATION SUBMISSION SCHEDULE

The CDSS has developed a new rate application submission schedule that is based on the non-profit corporation's fiscal year closing date combined with the provider's program number. The MPP defines fiscal year as "any consecutive 12-month period adopted as the annual accounting period." The CDSS has reviewed each program to determine the provider's fiscal year and the program's assigned program number (first four digits of the number). All programs have been divided into odd and even program numbers to link application submission with the actual calendar year. Furthermore, provider fiscal year data has been utilized to permit multiple filings throughout a calendar year with providers with similar fiscal years submitting at the same time.

GROUP HOME PROVIDERS
COMMUNITY TREATMENT FACILITY PROVIDERS
Page 2

Under this new schedule, group home providers will submit their rate application according to the chart below.

Calendar Year	Provider's Program No.	Corporation's Fiscal Year Closing Date	Biennial Application Rate Submission Due Date	Rate Effective Date*
2005	Odd number (Ex. 2005-00-01)	1/1/05 through 6/30/05	December 1, 2005	February 1, 2006
2005	Odd number (Ex. 2005-00-01)	7/1/05 through 12/31/05	Anticipated date: April 1, 2006**	
2006	Even number (Ex. 2006-00-01)	1/1/06 through 6/30/06	Anticipated date: September 1, 2006**	
2006	Even number (Ex. 2006-00-01)	7/1/06 through 12/31/06	Anticipated date: April 1, 2007**	

* The rate effective date is based upon receipt of a complete rate application package. The rate is effective on the first day of the second full month following the rate application due date.

** These are anticipated dates only, future due date subject to change due to staffing resources and implementation phase-in needs. Providers should watch for subsequent FCARLS announcing application submission date requirements.

**PROVIDERS REQUIRED TO SUBMIT A RATE APPLICATION ON
DECEMBER 1, 2005**

The first group to submit a rate application will be all group homes with odd program numbers and whose fiscal year closed between 1/1/05 through 6/30/05. The due date of the rate application is December 1, 2005. The CDSS has compiled a list of those providers whom we have identified as meeting this criteria (PLEASE SEE ENCLOSED LIST OF PROVIDERS.) However, just in case some providers may have recently changed their fiscal year, if a provider meets the criteria above you will still be required to submit a rate application even though you are not on the enclosed submission list.

Please note: If we receive an application from a provider who is not required to submit an application we will not process the application and will shred all documents to protect confidentiality.

COMPLETE RATE APPLICATION

A complete rate application must be submitted for each group home and Community Treatment Facility (CTF) program in operation. A complete rate application is one that contains all the required documents necessary to set the rate. Forms have changed to reflect submission of information for a biennial reporting period. This means that data is required for the corporation's prior two fiscal years. Please refer to the regulations and

the instructions on the reverse side of each group home form when preparing the rate application. The instructions will assist you in completing the rate application package correctly. **Commencing immediately, the documents listed below are required for a complete group home program rate application.**

1. A complete set of SR forms
 - Group Home Program Rate Application (SR 1) with original signature (Front and Back)
 - Program Classification Report (SR 2) – **Two separate SR 2's are required for the previous two reporting periods** Use actual data, do not average or estimate. On Line 16 for fiscal year (FY) 2003-04, **leave blank**. On Line 16 for FY 2004-05, project your average points and RCL for your next reporting period which will be FYs 2005-06 and 2006-07. New providers who began operating in 2003 or 2004 must report actual data from the date of first placement through December 31, 2003 or 2004. New providers who had a rate established in 2003 or 2004, but had no placements in those calendar years must project points.
 - Group Home Program Days of Care Schedule (SR 5) – **Two separate SR 5's are required**; one for FY 2003-04 and one for FY 2004-05. Use actual data do not average or estimate.
2. A copy of the current Community Care Licensing (CCL) license for each facility, including a provisional license issued to a new provider, if not previously submitted.
3. A copy of the Group Home Administrator Certificate issued by CCL for the program's administrator or if not available, proof of submittal of processing fee and training certificate to CCL.
4. The organization's tax exempt status letter from either the Internal Revenue Service (IRS) or the California Franchise Tax Board (CFTB) designating the organization as tax exempt; if any changes have occurred since submission of the last tax exempt status letter.
5. An endorsed copy of the group home organization's Articles of Incorporation filed with the California Secretary of State (SOS), if any changes have occurred since submission of the last Articles of Incorporation, demonstrating the organization:
 - Operates in the public interest for scientific, education, service or charitable purposes:
 - Is not organized for profit making purposes; and
 - Uses its net proceeds to maintain, improve or expand its operations.

GROUP HOME PROVIDERS
COMMUNITY TREATMENT FACILITY PROVIDERS

Page 4

6. A copy of any initial or amended Statement of Information filed with the California SOS. Providers must maintain an active status with SOS to continue to be eligible for AFDC funds. You may check your status on the SOS website at: <http://Kepler.ss.ca.gov/list.html>.
7. A complete listing of the corporation's Board of Directors to include full names, titles, mailing addresses and phone numbers.
8. A declaration signed by the Board of Directors that the program will operate during the biennial rate period in the public interest for scientific, education, service or charitable purposes; is not organized for profit-making purposes; and, uses its net proceeds to maintain, improve or expand its operations.

Please note: A group home provider is to immediately notify the Department if the group home ceases to operate on a nonprofit basis, becomes inactive, suspended, or otherwise is not in good standing with the California SOS.

9. A training plan for the corporation's next two fiscal years for each program for which the additional .10 weighting is claimed for child care workers and supervisors. (See MPP Section 11-402.221(e) for the training plan requirements.) If the training weighting will not be claimed during the biennial rate period, a statement to that effect must be included with the rate application.
10. A certification by the provider that all information contained in the program statement previously submitted remains current with no changes (this can be documented on the SR 1 under "certifications"); or

If the previously submitted program statement no longer reflects the provider's current program, the provider will submit an updated version of the program statement or addendum to the Department.

11. A copy of the current lease(s) or rental agreement(s) if not previously submitted.
12. A Self-Dealing Transaction Declaration (FCR 16) signed by the group home's Board of Directors that during the biennial rate period the organization will not incur shelter costs resulting from a self-dealing transaction as defined in California Corporations Code Section 5233.
13. In addition to the documentation listed above, programs classified at Rate Classification Level (RCL) 13 or 14 must also submit:
 - a. A written statement that the program will accept only children assessed/qualified for placement during the biennial rate period as required in MPP Section 11-402.181(b). The statement must be dated and include an

original signature of the same individual whose signature appears on the SR 1.

- b. A statement, accompanied by appropriate documentation, that the requirements of Section 11-402.181(c) regarding the program certification have been met.

If all the required documents previously listed have been received, but additional information is needed, the rate request will be considered complete if the remaining documents are postmarked within 30 days after notification received by the Department.

Providers with Internet access can obtain the revised SR forms online at the following address: www.dss.cahwnet.gov/cdssweb/On-lineFor_271.htm. Providers without Internet access can obtain a copy of the SR forms by contacting the Foster Care Rates Bureau (FCRB). If using SR forms other than those available via the Internet, please ensure you are using the most current form revision (see MPP Section 11-406).

GOOD CAUSE REQUESTS

A provider who is unable to submit a complete rate application by the due date (indicated on the chart on page 2) because of circumstances beyond the provider's control, may submit a "good cause" request to extend the due date. Typical circumstances that constitute good cause include, but are not limited to, natural disasters and emergency medical situations [MPP 11-400g(1)].

The procedures for submitting a good cause request are contained in MPP Section 11-402.371. **A good cause request must be submitted by a provider to the FCRB separately from the rate application and must be postmarked no later than five calendar days following the rate application due date.** The good cause request must contain a clear statement requesting good cause and include the specific reasons(s) for submitting an incomplete or untimely rate application. The written request for good cause should also include the name, location, and program number of the affected program; the name, address and telephone number of the provider; and, the name, address and telephone number of the contact person. Please be aware that when the Department approves a request for good cause, a complete application is due within 30 days of the postmark of the Department's approval notification or 30 days after the original application due date, whichever is later.

Additionally, for those providers whose request for good cause is approved, complete applications submitted in accordance with the above paragraph will have an effective date of the rate as identified in MPP 11-402.34. However, applications that are incomplete or are not submitted in accordance with above paragraph can be subject to penalties as described in MPP 11-402.38.

Please also be aware that good cause requests should not be submitted and/or signed by a certified public accountant (CPA), state-licensed public accountant (PA) or consultant as it is the provider's responsibility to manage the operation of the program, be aware of all business transactions impacting the program, and to make good cause requests on behalf of the program.

TIMELINES AND PENALTIES

The timelines and penalties for late and incomplete applications contained in MPP Section 11-402.38 have changed as a result of the biennial rate application process and are as follows:

- Applications not submitted on or before the due date and applications that are incomplete are considered late applications.
- The rates for late applications are subject to a monetary penalty equal to three (3) percent of the rate.
- The rate is subject to the penalty for the number of months the application was late, beginning on either the rate effective date or the date the rate is reinstated if terminated.
- The rate is subject to termination if the complete application is not received on or before the rate effective date.

Example: Application is due December 1 and the rate is effective February 1: if the application is late but completed in December, the rate is penalized for one month in the month of February.

Example: Application is due December 1 and the rate is effective February 1: if the application is late but completed in January, the rate is penalized for two months in the months of February and March.

Example: Application is due December 1 and the rate is effective February 1: if the application is not completed by February 1, the group home program will be subject to the rate termination process as specified in MPP Section 11-402.393 for failure to submit a complete rate application prior to the rate effective date. Once reinstated, the rate is penalized for the number of months late beginning in the month reinstated.

A program rate which has been terminated for failure to submit a timely or complete rate application can be reinstated by meeting the requirements of MPP Section 11-402.45. The new rate will be set based on the current rate for the RCL in which the program is reinstated in accordance with MPP 11-402.3.

If a private consultant or CPA completes and/or mails a rate application on behalf of a provider, responsibility for the content of the documents filed and the date of filing remains with the provider. A private consultant's/CPA's failure to submit a timely application will not excuse untimely submission of a complete rate application and may result in a penalty.

A complete copy of the regulations is online at the following websites:

<http://www.dss.cahwnet.gov/getinfo/pdf/fcmanb.pdf>
<http://www.dss.cahwnet.gov/getinfo/pdf/fcmanc.pdf>

WHERE TO SEND APPLICATIONS

A complete rate application should be mailed to:

**California Department of Social Services
Foster Care Audits and Rates Branch
Foster Care Rates Bureau
744 P Street, M.S. 9-74
Sacramento, CA 95814**

If you have any questions about the rate application process or forms, please contact your Foster Care Rates Consultant at (916) 651-9152.

Sincerely,

GLENN FREITAS, Chief
Foster Care Audits and Rates Branch

Enclosure

GH PROVIDERS REQUIRED TO SUBMIT RATE APPLICATION BY DECEMBER 1, 2005

September 30, 2005

Program Name	Prov #		
ABBY'S ADOLESCENT DEVELOPMENT CENTER	1799	LARKIN STREET YOUTH SERVICES/THE LOFT	1525
ACTIVE COMMUNITY TREATMENT SYS (ACTS)	0915	LIFEWORX'S SCHOOL INC.	1579
ADOLESCENT COUNSELING SERV/S/CARAVAN	0171	LINCOLN CHILD CENTER –PROGRAMS 03, 04	0133
AMY'S PLACE / ZITA PETERS, INC.	2167	LOS ANGELES YOUTH NETWRK–PROGRAMS 01, 02	1909
ASHE, INC. - AIMING HIGH TREATMENT CNTR.	1803	MAC'S CHILDREN & FAMILY SVS.-PROGRAM 01, 02	1365
BAKERSFIELD MEMORIAL HOSP. MEMORIAL CTR	1739	MARY'S HELP INCORPORATED	1597
BELLA VIDA GROUP HOME	0131	MCKINLEY HOME FOR BOYS	0193
BOYS REPUBLIC-PROGRAMS 01, 02, 03	0189	MENEZES GROUP HOME	1347
BREAKING THE CYCLE TREATMENT PROGRAM	1645	MICHELLE TRAVIS GROUP HOME	0787
BRIAR OAKS CHILD & ADOLESCENT TRMNT CTR	1731	MILHOUSE TREATMENT CENTER	0541
BUENAS VIDAS YOUTH RANCH	0775	MORNING SKY RES./SPEECH & LANG. DEV.	0621
BURT CHILDREN'S CENTER	0333	NALLS CHILDREN'S SERVICES	1983
CARPENTER'S HOME FOR GIRLS	0571	NORTHERN CA YOUTH & FAMILY PROGRAMS	0587
CARPENTER'S HOUSE	2133	PARADISE ADOLESCENT HOMES, INC.	1839
CASSIO PLACE	0743	PASADENA CHILD. TRNG.-PROGRAMS 02, 03	0295
CENTER POINT ADOLESCENT	1527	PEACOCK ACRES	0371
CHALLENGES FOR YOUTH	1753	PHILOS ADOLESCENT TREATMENT CENTER	1009
CHANNEL ISLANDS YMCA - NOAH'S ANCHORAGE	1895	PHOENIX HOUSE OF ORANGE COUNTY	0663
CHARLEE FAMILY CARE PROGRAMS 01,02,03,04	0639	PHOENIX HOUSE OF SAN DIEGO	0911
CHILD ABUSE PRV OF PLACER/CRISIS NURSERY	1927	PHOENIX PROGRAMS-COTTONTAIL & ROBIN	1945
CHILDHELP, INC.	0303	POSITIVE CHANGES GH/EMANICIPATION	2025
CHILDNET/LONG BEACH YOUTH	0341	POSITIVE LINKS FAMILY GROUP HOME	1563
CHILDREN'S HOME OF STOCKTON	0185	PROJECT EUREKA RESIDENTIAL CARE	0721
CHILDREN'S RECEIVING HOME OF SACRAMENTO	0205	PROJECT NINETY INC. / INTERMISSION HOUSE	1837
CHILDREN'S THERAPEUTIC COMM. GH	0647	RUIZ HOME	2003
CLARA MAE'S FAMILY CARE	1981	SAN DIEGO CTR F/CHILD.-PROGRAMS 01,02,03	0363
CLEAR VIEW TREATMENT CENTER	1775	SAN DIEGO YOUTH & COMM SERVICE	0137
COMPASS ROSE CORPORATION	1417	SAN GABRIEL CHILDREN'S CENTER	1465
CPPA, INC./ CASA DE LA PAZ	2051	SANTA CRUZ COM. COUNSELING/TYLER HOUSE	1891
DAYTOP	0927	SENECA RESIDENTIAL CENTER & COMM. TRT, FAC.	0617
DESTINY PLACE	1913	SIERRA BOYS RANCH	0989
DIAKONIA GROUP HOME	0947	SIERRA VISTA CHILDREN'S CENTER	0105
EAGLE'S WING	1887	SOCIAL ADVOCATES FOR YOUTH/RES.CARE	0287
EDGEWOOD CENTER – PROGRAM 02, 03	0177	ST. PATRICK'S HOME	0407
ELLSWORTH COTTAGE	1371	STARLIGHT CTF	1883
FAMILY SOLUTIONS-PSYCHOLOGICAL SOLUTIONS	0747	STARSHINE TREATMENT CTR/EMANCIPATION	1079
FLORENCE CRITTENTON SRV ORANGE/DIAGNOST	0299	SUMMITVIEW CHILD TREATMENT CENTER	1531
FNDN FOR THE JUNIOR BLIND/CHILDREN'S RES	1479	SUNNY HILLS-CHILDREN'S GARDEN	0147
GASTINELL'S TENDER LOVING	1063	T & T HOME FOR BOYS-RESIDENTIAL CARE	1209
GERMAN ROSS OUTREACH CENTER	1449	TRANSITIONS-MENTAL HEALTH ASSN-YTH TR.	0139
GREATER NEW BEGINNINGS YOUTH SERVICES	1735	TRI-POG	1549
GREENACRE HOMES	0265	TURNING POINT OF CENTRAL CALIF.	1925
HALINOR HOME, THE	0737	VICTOR TREATMENT CENTERS	0389
HARRISON HOME	0869	WE WORK WITH KIDS	1959
HATFIELD/EMANCIPATION	1317	WESTSIDE CHILDREN'S GROUP HOMES	0695
HUCKLEBERRY YOUTH PROGRAMS	0331	WOMEN'S RECOVERY-TRACEY'S PLACE/HOPE	1897
HUTTON HOUSE	1231	WOODLAND YOUTH SERVICES	0593
INDIVIDUALS NOW/SOCIAL ADVOCATES F/YTH	1083	WOODLAND YOUTH SVCS - SHELTER HOME	0593
K&M NEW LIFE HOME	1495	YOUTH & FAMILY ASSISTANCE	0229
KARIS HOUSE/JARVIS HOUSE	1199		
KELLEY ADOLESCENT TX CTR-VOLUNTEERS OF	1671		
L & L GROUP HOME	1309		

PLEASE NOTE: IF YOUR PROGRAM NUMBER ENDS IN AN ODD NUMBER AND YOUR FISCAL YEAR'S CLOSING DATE IS BETWEEN 1/01/05-6/30/05 AND YOUR GROUP HOME DOES NOT APPEAR ON THIS LIST, YOU ARE STILL REQUIRED TO SUBMIT AN APPLICATION BY 12/01/05